

9B.

OFFICES OF THE
STATE AUDITOR OF MISSOURI
JEFFERSON CITY

DEPARTMENT OF PUBLIC UTILITIES
WATER DIVISION
CITY OF ST. LOUIS, MISSOURI
YEAR ENDED JUNE 30, 1988

MARGARET KELLY, CPA



DEPARTMENT OF PUBLIC UTILITIES
WATER DIVISION
CITY OF ST. LOUIS, MISSOURI

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DEPARTMENT OF PUBLIC UTILITIES
WATER DIVISION
CITY OF ST. LOUIS, MISSOURI

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STATE AUDITOR OF MISSOURI

JEFFERSON CITY, MISSOURI 65102

MARGARET KELLY, CPA
STATE AUDITOR

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Honorable Vincent C. Schoemehl Jr.
Mayor, City of St. Louis
and
James M. Shea, Director of Public Utilities
and
William Bosse, Water Commissioner
City of St. Louis, Missouri 63101

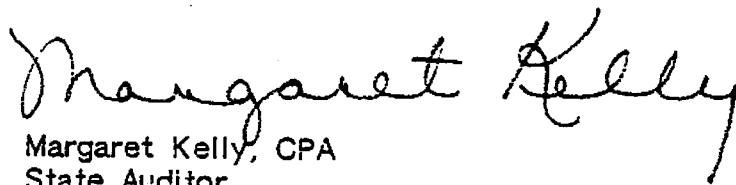
The State Auditor was petitioned under Section 29.230, RSMo 1986, to perform an audit of the city of St. Louis, Missouri. Accordingly, we have conducted a review of the Water Division, Department of Public Utilities, city of St. Louis. Our review included but was not limited to the city's fiscal year ended June 30, 1988. The purposes of our review were to:

1. Study and evaluate the division's system of internal controls.
2. Perform a limited review of certain management practices to determine the efficiency and effectiveness of those practices.
3. Review probable compliance with certain constitutional provisions, statutes, administrative rules, attorney general's opinions, and city ordinances as we deemed necessary or appropriate.
4. Perform a limited review of the integrity and completeness of the department's financial reporting system.
5. Perform procedures deemed necessary to evaluate petitioner concerns.

Our review was made in accordance with generally accepted government auditing standards and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed the financial records, payroll procedures and documents; expenditures, contractual agreements, and other pertinent procedures and documents; interviewed personnel of the Water Division, Department of Public Utilities and compiled the information in the appendices from the records and reports of the division. The data presented in the appendices were obtained from the city's accounting system. However, they were not verified by us via additional audit procedures and, therefore, we express no opinion on them.

The accompanying History and Organization is presented for informational purposes. This background information was obtained from office management and was not subjected to the audit procedures applied by us in our examination.

Our comments on management practices and related areas are presented in the accompanying Management Advisory Report.


Margaret Kelly, CPA
State Auditor

April 6, 1989

HISTORY AND ORGANIZATION

DEPARTMENT OF PUBLIC UTILITIES
WATER DIVISION
CITY OF ST. LOUIS, MISSOURI
HISTORY AND ORGANIZATION

The Water Division of the Department of Public Utilities of the city of St. Louis is responsible for providing and maintaining water service for the city.

William R. Bosse currently serves as the Water Commissioner for the city of St. Louis. He has served in that capacity since April 14, 1985, when he was appointed by James M. Shea, Director of Public Utilities. The water commissioner's office coordinates the work of the following six sections:

1. Customer Service

The primary responsibilities for this section are to provide water and miscellaneous billing information, handle customer complaints, insert and repair meters and taps, administer the service line maintenance program, and handle accounts receivable for the division.

2. Distribution

This section lays water piping in the city, installs large water connections, and performs routine and emergency maintenance on the transmission and distribution system.

3. Engineering

This section provides engineering services to the division including design of construction and capital maintenance projects, preparation of construction contracts, inspection of contracted construction work, preparing and updating plats, administering right-of-way permits and easements, and performing major construction liaison work between the division, Board of Public Service, and other city departments.

4. Finance

This section performs accounting and related functions for the division including maintenance of the enterprise fund accounting records and the inventory control system, establishment and implementation of financial control procedures, financial report production, and the administration of the city Comptroller's policies.

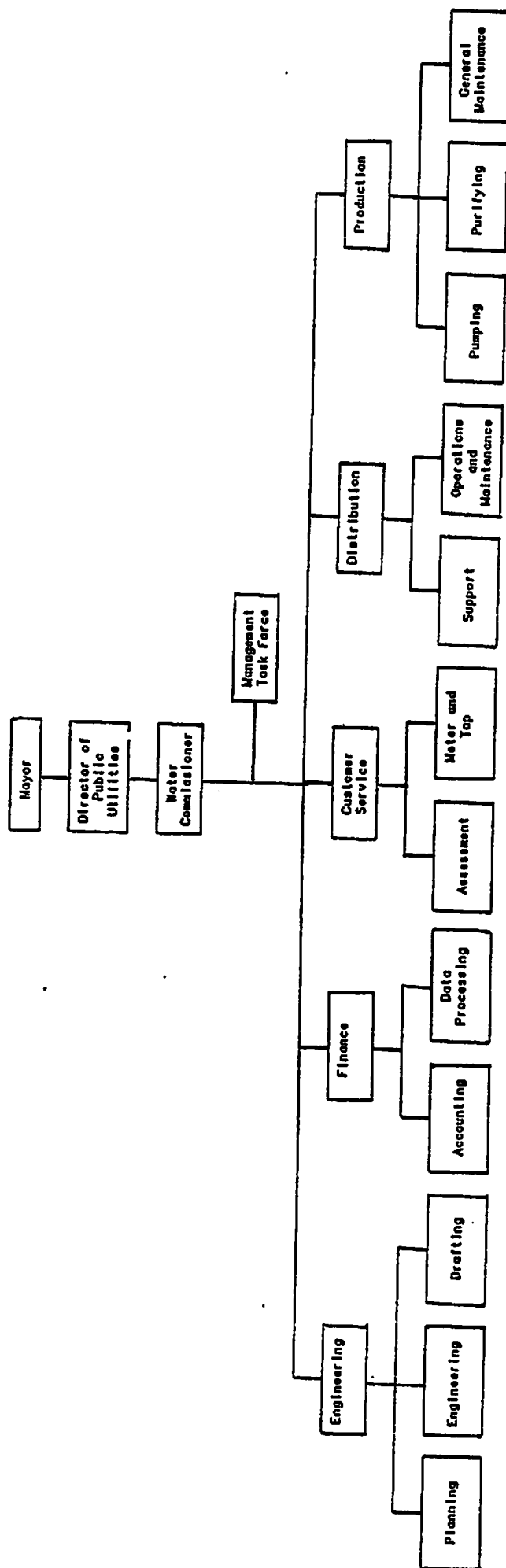
5. Management Task Force

This section provides personnel and data processing support services and handles special assignments for the division.

6. Production

This section processes river water into a safe usable product and transfers the water to storage facilities for delivery to customers.

DEPARTMENT OF PUBLIC UTILITIES
 WATER DIVISION
 CITY OF ST. LOUIS, MISSOURI
 ORGANIZATION CHART
 JUNE 30, 1988



MANAGEMENT ADVISORY REPORT

DEPARTMENT OF PUBLIC UTILITIES
WATER DIVISION
CITY OF ST. LOUIS, MISSOURI
SUMMARY OF FINDINGS

1. Expenditures (pages 11-12)

- A. The Water Division subsidized the Department of Public Utilities by paying \$140,449 of the department's expenses from the Water Division's Enterprise Fund.
- B. The division circumvented the Division of Supply's purchasing procedures and the appropriation process.
- C. The financing cost of lease-purchasing a copy machine appeared excessive.

2. Customer Water Billings (pages 12-14)

- A. The accuracy of the base data for calculating flat rate billings was not verified.
- B. There was no written approval for cancellation of delinquent water bills.
- C. The division waived fees for turning on water service.

3. Accounting Controls (pages 14-16)

- A. The internal accounting manual was outdated.
- B. The duties related to miscellaneous billing receipts and advanced meter deposits were not segregated.
- C. No immediate record of monies received by mail was prepared for the miscellaneous revenue-producing areas.
- D. The division made deposits weekly rather than daily as required by the City Code.
- E. Tapping and wrecking permits were not prenumbered.
- F. No reconciliation was performed between water billing monies received and the monies subsequently deposited.

4. Data Processing Controls (pages 16-17)

- A. Customer service clerks had the ability to change customer account information, including amounts billed, without any documentation of changes made.
- B. There was no documentation of master file changes made.

- C. Non-Electronic Data Processing personnel had access to the computer hardware area.
 - D. The system password was an obvious word, was not periodically changed, and was used by all employees to gain access to the system.
 - E. There were no written procedures for utilizing backup facilities.
 - F. There were no written procedures for testing of system changes.
5. Miscellaneous Billing Controls (pages 18-19)
- A. Miscellaneous receivable collection procedures need to be improved, \$246,144 of billings had not been collected or determined to be uncollectable.
 - B. Duties related to miscellaneous billings and collections were not segregated.
 - C. No reconciliation was performed of miscellaneous monies collected to monies deposited.
 - D. The division did not document periodic reviews of the 45 percent overhead rate for adequacy.
 - E. The Enterprise Fund subsidiary miscellaneous advanced deposit balances were not up-to-date and were not periodically reconciled to the Comptroller's balance.
6. Petty Cash Controls (pages 19-22)
- A. The Customer Services Section had an excessive petty cash balance for which no accounting records were maintained.
 - B.1. The Operating Section's petty cash records were not up-to-date.
 - 2. Petty cash monies of the Operating Section were not kept in a secure location.
 - C. The Accounting Section used an improper method for reducing the size of its petty cash fund.
7. Payroll Procedures (pages 22-23)
- A. The division violated the Missouri Constitution by paying the night data processing employee for time not worked.
 - B. Attendance records of the Administration and Finance, Design and Construction, and Construction and Maintenance Sections were maintained on an exception basis.
 - C. Payroll functions were not properly segregated.

8. Service Line Maintenance Fee Reports (page 23)

Activity reports submitted semiannually to the Board of Estimate and Apportionment did not agree to division records.

9. Construction Deposits (pages 23-24)

A. Subsidiary deposit records were not periodically reconciled to the Comptroller's balance of deposits.

B. The Water Division did not receive interest accruing on construction advances.

10. Fuel Usage Controls (page 25)

Fuel usage logs were not maintained at Chain of Rocks or Howard Bend.

11. Sharecrop Agreement (pages 25-26)

The division did not verify the accuracy of payments received from the contractor.

DEPARTMENT OF PUBLIC UTILITIES
WATER DIVISION
CITY OF ST. LOUIS, MISSOURI
MANAGEMENT ADVISORY REPORT

As part of our review of the Water Division, Department of Public Utilities, city of St. Louis, for the year ended June 30, 1988, we studied and evaluated the internal accounting control system to the extent needed to evaluate the system as required by generally accepted government auditing standards. For the purpose of this report, we have classified the significant internal accounting controls as cash, payroll, revenues, and expenditures. Our study included each of these control categories. Since the purpose of our study and evaluation was to determine the nature, timing, and extent of our audit procedures, it was more limited than would be needed to express an opinion on the internal accounting control system taken as a whole.

It is management's responsibility to establish and maintain the internal control system. In so doing, management assesses and weighs the expected benefits and related costs of control procedures. The system should provide reasonable, but not absolute, assurance that assets are safeguarded against loss, and that transactions are carried out as authorized by management and are recorded in a manner that will permit the subsequent preparation of reliable and proper financial reports.

Because of the inherent limitations in any internal control system, errors or irregularities may still occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation was made for the limited purpose described in the first paragraph and, thus, might not disclose all material weaknesses in the system. Accordingly, we did not express an opinion on the internal accounting control system of the city taken as a whole. However, our study and evaluation disclosed certain conditions that we believe are material weaknesses and these findings are presented in this report.

We reviewed probable compliance with certain constitutional provisions, statutes, ordinances, and attorney general's opinions as we deemed necessary or appropriate. This review was not intended to provide assurance of full compliance with all regulatory provisions and, thus, did not include all regulatory provisions which may apply. However, our review disclosed certain conditions that may represent noncompliance and these findings are presented in this report.

During our review, we identified certain management practices which we believe could be improved. Our review was not designed or intended to be a detailed study of every system, procedure, and transaction. Accordingly, the findings presented in this report should not be considered as all-inclusive of areas where improvements may be needed.

The State Auditor was petitioned under Section 29.230, RSMo 1986, to audit the city of St. Louis. We included those procedures necessary in our judgment to evaluate the petitioner concerns and those concerns requiring corrective action are addressed in this report.

The period of review for the purposes stated above included, but was not limited to, the period covered by the financial statements for the year ended June 30, 1988.

1. Expenditures

During our review of expenditures, we noted the following areas where the Water Division could make improvements:

A. The Water Division subsidized the Department of Public Utilities by paying \$140,449 of the department's expenses from the Water Division's Enterprise Fund. The expenses paid were as follows:

- 1) The Water Division paid \$82,500 for a study to determine the feasibility of consolidating Department of Public Utilities and Water Division offices currently at Carr Lane with Water Division offices located on Kingshighway. Although the study benefited both the department and division, the Water Division paid the total cost. The department should have paid some percentage of costs (estimated at 50 percent for illustrative purposes above).
- 2) Costs for disposal of four PCB-contaminated transformers belonging to the department, \$5,797.
- 3) Payroll costs for five department employees, \$93,402.

Water rates are set at a level sufficient to cover the operating costs of the Water Division. When the Water Division pays costs chargeable to other city agencies, the division inappropriately increases the costs to be covered by water customers' revenues, thereby increasing the amounts customers must pay for water used. The Water Division should consult with the Board of Estimate and Apportionment (board) regarding the possibility of obtaining reimbursement from the city's General Revenue Fund for departmental expenses paid from the Water Division's Enterprise Fund. The division should cease paying expenses properly chargeable to the Department of Public Utilities.

B. The Water Division intentionally circumvented the Division of Supply's purchasing procedures and the appropriation process. Bids were not solicited prior to purchasing water meters from a St. Louis corporation which is not normally in the business of selling water meters. The division paid for the meters purchased by reducing the corporation's subsequent water billings. The water meters were installed at the same company.

By not requesting and evaluating bids from vendors for the meters purchased, the division has no assurance they paid the lowest and best price.

By reducing the corporation's water billings to pay for the meters, the division circumvented the appropriation process, and caused the financial records to inaccurately report revenues and expenses.

- C. The division did not adequately evaluate the cost of financing when lease-purchasing a copy machine costing \$5,136. Total interest paid was \$2,002 over a three-year period. The resulting 22.8 percent cost of financing appeared excessive. The division should evaluate the cost of financing prior to making a recommendation to the Division of Supply regarding the acceptance of a particular vendor or contract.

WE RECOMMEND the Water Division:

- A. Request reimbursement from the city's General Revenue Fund for departmental expenditures paid from the division's Enterprise Fund. The division should also cease paying expenses for the operation of other city agencies.
- B. Comply with the Division of Supply's bidding procedures and make expenditures only through the appropriation process.
- C. Evaluate the cost of financing prior to making a recommendation to the Division of Supply regarding the acceptance of a particular vendor or contract.

AUDITEE'S RESPONSE

- A. The division will discuss with the administration the issue of prior charges pertaining to the feasibility study and the disposal of the PCB-contaminated transformers. Through reorganization in the fiscal year 1989 budget, the payroll costs associated with the five department employees were reallocated to the Department of Public Utilities.
- B. The company involved was in a water conservation program and requested a consolidation of the seventy meters involved. Since the division did not have a sufficient number of meters on hand and no funds with which to purchase the meters, it was agreed that the company would purchase the meters written to the division's specifications. The meters required and purchased were only available from a single supplier and as a result, there was no material difference in cost from that which the Supply Division could have obtained. Henceforth, the Water Division will comply with Supply Division procedures and the appropriation process.
- C. Agree with recommendation. In the future, the division will evaluate financing costs prior to making a recommendation to the Supply Division.

2. Customer Water Billings

The Water Division bills customers for water service based on two different methods. Most residential customers are billed a flat amount at the beginning of each quarter based on the number of rooms in their residence. Commercial customers and large usage residential customers are billed quarterly based on meter readings of water used. During our review of customer water billings and the related collections, we noted the following areas where the division could make improvements:

- A. The division did not verify residential additions with the Building Division of the Department of Public Safety. As a result, if flat-rate customers added rooms to their residences and did not report the additions to the Water Division, the division could underbill the customers for water used. Metered customers must then pay for the shortfall in flat-rate billings through higher metered water rates.

By utilizing additional data available from the Building Division of the Department of Public Safety, the Water Division could help ensure its base data for flat-rate billings is timely updated.

- B. There was no written approval for cancellation of delinquent water bills. Consequently, the division had little assurance that all canceled water billings, totaling \$1,201,957 during the audit period, had been canceled for appropriate reasons. To provide assurance that all delinquent water billings are canceled for appropriate reasons, all delinquent water bill cancellations should be in writing with documented reasons for the cancellations.
- C. The division waived fees for turning on water service. The City Code does not allow the division to waive fees for turning on water service. To comply with the City Code and cover the cost of services provided, the Water Division should charge fees for all services, including turning on water service.

WE RECOMMEND the Water Division:

- A. Consult the Building Division of the Department of Public Safety to determine residential additions and adjust billing data accordingly.
- B. Document in writing the reasons for cancellation of delinquent water bills.
- C. Charge fees for turning on water service.

AUDITEE'S RESPONSE

- A. The division currently monitors residential additions through two sources, 1) the daily record, and 2) through a monthly report from the Building Division. Also, the division is currently studying the possibility of a new rate structure which would eliminate the need for this type of information. The new structure would include a readiness-to-serve charge, a dwelling unit charge, and a building square footage charge. This information is readily available from and updated by the City Assessor's office.
- B. A procedure has been implemented that requires a "canceled bill" form to be completed and signed by the Customer Service Supervisor and approved by the Water Assessment Manager. It should be noted that the \$1,201,957 not only includes delinquent bills but also billing errors.

- C. The vast majority of fees waived are caused by timing conflicts. If service is shut off and the bill is found to have come in the mail the same day, the fee is waived in the interest of fairness to the customer. The division will evaluate the possibility of seeking a revision in the code to give the Water Commissioner some discretion in this situation.

3. Accounting Controls

During our review of accounting controls and procedures, we noted the following areas where improvement could be made:

- A. The division had not updated their internal accounting manual since 1975. Division personnel said due to the frequency of changes, there had not been enough time to keep the manual updated. As a result, the division had limited assurance that accounting functions were being handled in a consistent and appropriate manner. Because numerous procedural changes have taken place, keeping the manual updated would assure its usefulness as a reference source for daily accounting operations. An updated manual could also help new employees learn their assigned duties in an efficient and timely manner. The division should update the internal accounting manual on a timely basis.
- B. There was an inadequate segregation of duties related to miscellaneous billing and advanced deposit receipts. For each of these areas, the same person handled receipts, maintained the accounting records, and reconciled monies deposited to the amounts recorded as deposited by the Comptroller. Allowing the same person to handle all phases of the cash collection process increases the risk of loss or theft of monies received. The division should segregate the cash handling functions between two or more individuals to obtain additional assurance that receipts are properly handled.
- C. The division did not establish an immediate record of monies received by mail or at city hall for miscellaneous revenue-producing areas. As a result, it was not possible to determine whether all monies initially received were deposited. By immediately making a record of all monies received upon initial receipt and reconciling that record to monies subsequently deposited, the division could obtain additional assurance that all monies received were deposited. The division should establish an immediate record of all monies received and reconcile that record to monies deposited.
- D. The division deposited monies received weekly rather than daily as required by Article XV, Section 24, of the City Charter. By only depositing weekly, the division increased the risk of loss or theft of monies received. To reduce the risk of loss or theft of monies, the division should comply with the City Charter by depositing all receipts daily.
- E. There was no assurance monies were received and deposited for all tapping and wrecking permits issued. The division manually

recorded permit numbers on the permits rather than using prenumbered permit forms. By issuing permits that are not prenumbered, monies received could be misappropriated and not detected. The division should issue prenumbered tapping and wrecking permits, account for the numerical sequence of the documents, and reconcile documents issued to monies deposited. This would provide assurance that appropriate fees were collected and all receipts were deposited.

- F. There was no reconciliation performed between water billing receipts and monies deposited. As a result, the division had limited assurance monies received were being deposited intact. Our reconciliation of distributions to the Water Division per the Collector of Revenue's annual settlement materially agreed to monies deposited into the Waterworks Revenue Fund per the Comptroller's records. However, to ensure all monies received are subsequently deposited, the division should reconcile monies initially received per the returned water billing stubs to monies subsequently deposited per the Comptroller.

WE RECOMMEND the Water Division:

- A. Update the accounting manual on a timely basis.
- B. Segregate the functions of receiving monies, maintaining accounting records, and reconciling monies received to amounts deposited.
- C. Establish an immediate record of all monies received and reconcile that record to monies deposited.
- D. Comply with Article XV, Section 24, of the City Charter by depositing all monies received daily.
- E. Issue prenumbered tapping and wrecking permits, account for the numerical sequence of the documents, and reconcile permits issued to monies deposited.
- F. Reconcile water billing receipts per the returned billing stubs to monies subsequently deposited per the Comptroller's records.

AUDITEE'S RESPONSE

- A. Accounting manual is now current. The update was completed in fiscal year 1989.
- B. As of March 1989, the functions of receiving monies, maintaining accounting records, and reconciling monies received to amounts deposited have been segregated.
- C. All checks received are immediately restrictively endorsed. Additionally, prenumbered permits help tighten this control. The division is instituting a procedure to establish an immediate record of monies received by accepting all cash only through the cash window at the Kingshighway office. These records will then be reconciled to funds deposited.

- D. The division will comply with the City Charter by implementing daily deposits.
- E. The use of prenumbered tapping and wrecking permits and their reconciliation to deposits was implemented in fiscal year 1989.
- F. The reconciliation of water billing receipts to deposits was implemented in fiscal year 1989.

4. Data Processing Controls

During our review of the data processing system, we noted the following controls the division should ensure are in place:

- A. Customer service clerks had unlimited access to all customer account screens. This access allowed the clerks to change customer account information without the system providing a report documenting the changes made. As a result, clerks could have deleted or reduced water billings without detection. The division should limit access to customer account screens and provide and reconcile documentation of account changes made.
- B. The computer system provided no documentation of master file changes. Therefore, the division had no method of verifying the correctness of master file changes. Documentation and review of master file changes is essential because incorrect master file changes could cause billings to be incorrect. The division should obtain documentation of master file changes and review the propriety and accuracy of the changes.
- C. Access to the data processing hardware area was not limited to data processing employees. At least four non-Electronic Data Processing (EDP) personnel had access to the computer area. By failing to restrict access to the computer area, the division faces an increased probability the integrity of the system and its control features could be compromised. The division should restrict access to the computer area to EDP personnel.
- D. One password was used by all employees to gain access to the system. As a result, the password did not effectively limit access to the system. To ensure access to the computer system is limited and controlled, the Water Division should assign a different confidential password to each employee needing access to the computer system and periodically change all passwords.
- E. The division did not have written procedures for utilizing backup computer facilities. Because the procedures were not written, the division had only limited assurance backup facilities would be timely and properly used in the event an emergency occurred. The division should prepare written procedures for the use of backup facilities.
- F. There were no written procedures for testing of system changes. As a result, the division had limited assurance system changes

were being properly tested before the changes were put on-line. If changes were not properly tested prior to being added to the system, there was an increased risk of the changes causing processing errors or irregularities. Because the major computer function is generating water bills sent to customers, it is imperative system changes be adequately tested and that testing be documented. Written procedures could give the division increased assurance that system changes were properly handled and documented.

WE RECOMMEND the Water Division:

- A. Limit access to customer account screens, and provide and reconcile documentation of changes made.
- B. Obtain documentation of master file changes and review the accuracy and propriety of changes made.
- C. Restrict access to the computer hardware area to EDP personnel.
- D. Use unique passwords for all personnel requiring access to computer screens, and periodically change passwords.
- E. Prepare written procedures for the use of computer backup facilities.
- F. Prepare written procedures for testing of system changes, including the requirement for documentation of the testing.

AUDITEE'S RESPONSE

- A. With the installation of the new computer system in March 1989, this recommendation has been implemented on that system. Only certain employees are allowed access to certain screens. Additionally, reports are generated on all activities to reconcile the changes made.
- B. In March 1989, with the installation of the new computer system this recommendation was implemented on that system. Master file changes are documented and reviewed.
- C. Security measures will be more strictly enforced by limiting access only to authorized individuals and by changing security codes.
- D. Unique passwords were instituted in March 1989 with the installation of the new computer system.
- E. Written procedures will be prepared for the used of computer backup facilities.
- F. Written procedures will be prepared for testing system changes.

5. Miscellaneous Billing Controls

The Water Division issues miscellaneous billings and collects for construction deposits, dig billings, property damages, cast iron connections, tap destroys, fire connectors, and keys and reducers. During our review of miscellaneous billings and the related collections, we noted the following areas where improvements could be made:

- A. Collection procedures for miscellaneous receivables were not adequate. At March 23, 1988, \$246,144 of \$1,327,301 billed during the year ended March 31, 1987, or 18.5 percent, had not been collected or determined to be uncollectable. These amounts do not include any amounts related to billings prior to April 1, 1986, or after March 31, 1987.

The excessive uncollected balance occurred because (1) the division did not know or monitor the outstanding receivable balance and (2) miscellaneous billings were not prepared and mailed for an average of 7 1/2 months following completion of the related work. Consequently, collection was more difficult and, as a result, the division may have lost substantial revenues.

The policy for delinquent billings was to send second notices when it became obvious the billings were delinquent. The large amount and percentage of delinquent billings one year later indicates the policy was either not followed or was not effective.

The division should maintain a current receivable balance. Miscellaneous charges should be billed to customers as soon as possible following the completion of the related work. Delinquent billings should be pursued in a timely and appropriate manner to enhance the chances of collection. If the account is determined to be uncollectable, it should be removed from the receivable records.

- B. The same person prepared invoices, handled billing discrepancies, and processed subsequent cash collections for miscellaneous receivables. This inadequate segregation of duties could allow the loss or theft of monies received. To provide additional assurance that all monies are properly collected and deposited, the division should segregate the functions of preparing invoices, handling billing discrepancies, and processing subsequent collections between two or more persons.
- C. The division did not reconcile monies collected and deposited to collections posted to the receivable ledger. As a result, the division had limited assurance the receivable ledger reflected the actual outstanding receivable balance. To ensure the receivable ledger reflects only receivables actually outstanding, the division should reconcile monies collected and deposited to collections posted to the receivable ledger.
- D. The division did not document periodic reviews of the adequacy of the 45 percent overhead rate charged to work orders to cover storeroom operating costs. By documenting the reviews, the

division could establish and project trends to determine any required rate adjustments on a timely basis. The division should document periodic reviews of the overhead rate and project inventory cost trends to determine necessary rate adjustments on a timely basis.

WE RECOMMEND the Water Division:

- A. Maintain an up-to-date receivable balance, bill customers as soon as possible after completion of the related work, follow up on delinquent accounts in a timely manner, and take appropriate actions to declare delinquent amounts uncollectable.
- B. Segregate the functions of preparing invoices, handling billing discrepancies, and processing subsequent cash collections between two or more persons.
- C. Reconcile monies collected and deposited to collections posted to the miscellaneous receivable ledger.
- D. Document periodic reviews of the 45 percent overhead rate and project inventory cost trends to determine necessary rate adjustments on a timely basis.

AUDITEE'S RESPONSE

- A. Collection procedures now call for write off after six months. The time lag in preparing bills has been addressed and billing is up-to-date. Second notices are now routinely issued after thirty days.
- B. In March 1989 the functions of preparing invoices, handling billing discrepancies, and processing subsequent cash collections were segregated.
- C. Miscellaneous receivable ledger is currently being developed. Monies collected will then be reconciled to collections posted to the miscellaneous receivable ledger.
- D. Journal entry eighty, which documents overhead costs, is used to calculate the actual overhead rate on an annual basis and is reviewed by the Accounting Manager to determine any necessary rate adjustment.

6. Petty Cash Controls

The Water Division maintained petty cash funds at the Kingshighway office, Howard Bend, Chain of Rocks, and Carr Lane. The funds were used to make change for customers and pay for small purchases. Our review of the petty cash funds revealed the following improvements that need to be made:

- A. The Customer Services Section at the Kingshighway office had an excessive petty cash fund balance for which no accounting records were maintained. The petty cash balance exceeding \$1,100 was used for the stated purposes of making change for customers paying water bills and paying for package deliveries and certified mailings.

The fund increased from its original balance to \$1,100 because monies received from the sale of postage stamps to employees were placed in the petty cash fund. The Customer Services Section purchased the postage stamps from appropriations to the division to mail multimeter water billings to customers, because the division had no postage machine. Stamps not needed to mail the billings were sold to employees. Monies received from the stamp sales were put into the petty cash fund.

Because no accounting records were maintained, it was impossible to determine the nature and purpose of all additions to or disbursements from the petty cash fund. As a result, loss, theft, or misuse of monies from the fund was possible, but could not be determined.

To establish accountability over receipts to and disbursements from the customer services petty cash fund the division should maintain a ledger showing all receipts and disbursements. The balance required for necessary fund disbursements should be determined. All excess fund monies should then be remitted to the City Treasurer for deposit into the Waterworks Revenue Fund.

The division should also cease selling postage stamps. We found no City Charter or Code sections allowing the division to sell postage stamps.

- B.1. The Operating Section's petty cash records were not up-to-date. Reimbursement checks were not cashed and placed in the fund for up to two months following receipt of the checks. No reconciliations of the records to the monies on hand had been performed. As a result, it was impossible to determine the propriety of all fund transactions or whether all monies were accounted for. Accounting records should be kept up-to-date and be periodically reconciled to monies on hand to provide accountability for the monies. Reimbursements should be requested only when needed to replenish the fund and be recorded and deposited into the fund immediately upon receipt.
2. The Operating Section's petty cash monies were not kept in a secure location. During the day, the location was easily accessible to employees other than the fund custodian. To ensure petty cash monies are properly safeguarded, the monies should be maintained in a location with access limited to authorized persons.
- C. The Accounting Section reduced the size of its petty cash fund by making disbursements without requesting reimbursement of the amounts disbursed. Consequently, although the monetary difference

appears immaterial, amounts expended against the division's appropriations do not reflect actual expenditures for the division's operations. At December 11, 1987, the division had unreimbursed expenditures totaling \$887.

By failing to submit reimbursement requests, the Accounting Section circumvented the appropriation process and reduced the scrutiny over the unreimbursed disbursements. As a result, there was an increased risk of improper or inappropriate disbursements being made without detection. Employees could state the balance was reduced and misappropriate the monies.

To reduce the size of petty cash funds, the division should request reimbursement for all monies disbursed and then transmit reduction amounts directly to the City Treasurer for deposit into the Waterworks Revenue Fund. This procedure would allow all monies disbursed for division operations to be properly scrutinized and recorded against the division's appropriations.

WE RECOMMEND the Water Division:

- A. Require the Customer Services Section to maintain a ledger detailing petty cash fund receipts and disbursements. The balance required for necessary fund disbursements should be determined. All excess fund monies should be remitted to the City Treasurer for deposit into the Waterworks Revenue Fund. The division should also cease selling postage stamps to employees.
- B.1. Require the Operating Section to maintain up-to-date accounting records and periodically reconcile the records to monies on hand. Reimbursements should be requested only when needed and be recorded and deposited into the fund immediately upon receipt.
- 2. Require the Operating Section to keep petty cash monies in a location with access limited to authorized persons.
- C. Reduce the size of petty cash funds by transmitting the reduction amounts to the City Treasurer for deposit into the Waterworks Revenue Fund.

AUDITEE'S RESPONSE

- A. Customer Service Section petty cash has been separated into five cash drawers used for making change by bonded employees. The remaining petty cash is controlled through a ledger detailing disbursements and reimbursements. A postage meter has been installed.
- B.1. Implemented. The Operating Section now maintains an up-to-date petty cash system with monies periodically reconciled to records and timely reimbursement requests and fund deposits.
- 2. Implemented. The Operating Section's petty cash is stored in a secure location with access only to authorized persons.

- C. This fund was eliminated by the purchase of postage stamps for the division, the sale of which to employees was the source of the funds.

7. Payroll Procedures

Our review of the Water Division's payroll procedures revealed the following areas where improvements are needed:

- A. The data processing employee working nights was paid for time not worked. The individual was principally responsible for running the division's production reports and performing other miscellaneous duties. If the production reports and other assigned duties took less than 8 hours to run on any given night, the employee was paid for 8 hours. If the individual's duties took longer than 8 hours, the division paid overtime hours to the employee.

Because the above individual was paid for services not performed, the above method of calculating wages is a violation of Article VI, Section 23, of the Missouri Constitution which prohibits granting public monies to individuals. The division should pay employees based on actual time worked.

- B. The division's work attendance records were maintained on an exception basis for the Administration and Finance, Design and Construction, and Construction and Maintenance Sections. The payroll clerks for these sections recorded time as worked, unless documentation of leave taken was submitted by employees. If an employee failed to submit documentation for leave taken, work attendance records would be incorrectly recorded.

The Water Division should use attendance records documenting actual time worked as well as leave time taken. These attendance records could provide additional assurance all leave taken is correctly documented by providing a cross check against leave slips submitted.

- C. The division's payroll functions were not segregated. The same individual maintained the payroll records and received and distributed payroll checks. Allowing a person to both maintain the records and handle the payroll checks increases the risk of theft. To obtain additional assurance payroll functions are properly handled, the division should segregate the functions of maintaining payroll records, and receiving and distributing checks.

WE RECOMMEND the Water Division:

- A. Comply with Article VI, Section 23, of the Missouri Constitution by paying employees only for time actually worked.
- B. Maintain attendance records documenting both time worked and time taken as leave by employees.
- C. Segregate the functions of maintaining payroll records, and receiving and distributing checks.

AUDITEE'S RESPONSE

- A. The division is now in compliance with the Missouri Constitution as it pertains to paying employees for actual time worked.
- B. The division is in the process of complying with the recommendation to document both time worked and time taken by employees.
- C. The division's internal procedures of review, pickup, and distribution of payroll checks minimize any risk of theft. The division will segregate the functions of maintaining payroll records and receiving and distributing checks.

8. Service Line Maintenance Fees Reports

Semiannual reports of service line maintenance fee program receipts and disbursements made to the Board of Estimate and Apportionment did not agree to the division's records. Our reconciliation of the November 30, 1987, report to division records disclosed the following differences:

- A. The beginning account balance at June 1, 1987, according to division records was \$8,529 greater than the beginning fund balance shown on the report to the board.
- B. Expenditure amounts per division records for the six month period ended November 30 were \$1,557 less than the amounts reported to the Board.
- C. These differences resulted in the ending account balance at November 30, 1987, being \$10,086 larger per division records than the balance reported to the board.

The semiannual reports to the board should agree to division records. The division should determine the reasons for previous variances and ensure future reports agree to the records.

WE RECOMMEND the Water Division determine reasons for previous variances between maintenance fee amounts reported to the board and amounts per division records and ensure amounts shown on future reports agree to division records.

AUDITEE'S RESPONSE

Journal entry adjustments were not picked up on the November 30, 1987, semiannual report to the Board of Estimate and Apportionment. This lapse in procedures has been corrected. All adjustments will now be monitored by an accountant in the division.

9. Construction Deposits

Construction deposits are required from customers before the Water Division will perform requested maintenance services. The deposits

received are individually recorded in the division's advanced deposit subsidiary records and Enterprise Fund records before being deposited into a city Trust and Agency Fund for the division's general deposits. After the requested services are performed, the deposit amount is applied against the actual construction cost by transferring the deposit from the Trust and Agency Fund to the Waterworks Revenue Fund. Excess deposits are returned to the customer. If the deposit is less than the actual cost, the difference is billed to the customer.

- A. The division's subsidiary deposit records were not reconciled periodically to the balance recorded in the Comptroller's records. As a result, there was no assurance the division's subsidiary records or the Comptroller's records were correct. Reconciliation of subsidiary records to the Comptroller's summary records is necessary to provide assurance both records agree. The division should periodically reconcile the subsidiary advanced deposit records to advanced deposits per the Comptroller.
- B. The Water Division does not receive interest earned on advance construction deposits.

As noted above, construction advances are initially deposited into the city's Trust and Agency Fund. Interest accruing on the monies in the Trust and Agency Fund is used by the city to pay the city's debt service payments. No portion of the interest earned on the advances either accrues to the Water Division or is used to pay debt service payments on the Water Division general obligation bonds.

Because the Water Division is a self-supporting city enterprise, interest accruing on Water Division monies deposited into the city's Trust and Agency Fund should accrue to the division and should be transferred to the Waterworks Revenue Fund. If the interest transfer cannot be made, the Water Division should deposit construction advances into the Waterworks Revenue Fund.

WE RECOMMEND the Water Division:

- A. Periodically reconcile subsidiary advanced deposit records to advanced deposits per the Comptroller.
- B. Request transfer of interest accruing on construction advances from the city's Trust and Agency Fund to the Waterworks Revenue Fund or deposit construction advances into the Waterworks Revenue Fund.

AUDITEE'S RESPONSE

- A. This procedure will soon be implemented and the division will then reconcile subsidiary advanced deposit records to advanced deposits per the Comptroller.
- B. Agree. The division will request that interest due the division be transferred to the Waterworks Revenue Fund.

10. Fuel Usage Controls

No vehicle fuel usage logs were maintained at Chain of Rocks or Howard Bend. Consequently, the division was unable to evaluate vehicle fuel mileages or determine that fuel was being dispensed solely for city purposes.

The Water Division stores gasoline and diesel fuel at the Chain of Rocks plant and Howard Bend plant. Fuel at Chain of Rocks and Howard Bend is dispensed by Equipment Services Division and Water Division employees, respectively.

The proper and timely evaluation of fuel mileages can provide an early indication of needed vehicle maintenance. Periodic review and reconciliation of fuel log data to fuel purchases and inventories provides additional assurance fuel was used for city purposes. The division should maintain and use fuel logs for control purposes.

WE RECOMMEND the Water Division maintain and use fuel logs at Chain of Rocks and Howard Bend.

AUDITEE'S RESPONSE

The division will study the benefits and costs of fuel log system at Chain of Rocks and Howard Bend including contacting Equipment Services Division on the proposed electronic dispensing/recording system.

11. Sharecrop Agreement

The division leased approximately forty-five acres of land at Howard Bend to an individual for sharecrop farming. The contractor was required to pay the division one-third of all receipts from the sale of crops raised on the land. The division was to fund one-third of all trucking and drying costs and the total cost of chemicals for Johnson Grass control. Amounts necessary to fund the Water Division's portion of expenses were deducted from receipts by the contractor. The difference was submitted to the Water Division.

The division could not verify the adequacy of payments received from the contractor because the contractor did not submit documentation from grain elevators of the amount received per bushel sold. In addition, the contractor did not submit invoices to the division detailing the cost of herbicides purchased. As a result, the division could not be assured of receiving the correct revenues according to the contract. To determine the correct amounts are received, the Water Division should require the contractor to submit adequate documentation verifying all receipts and associated costs.

WE RECOMMEND the Water Division require the contractor to submit adequate documentation verifying all receipts and associated costs.

AUDITEE'S RESPONSE

Elevator weight tickets are routinely required detailing bushels and price per bushel. Prior to this type of agreement the Water Division received an annual rent of \$750. The division now receives an average of \$4,500 per year. As an additional check, average yields per acre will also be requested from the state of Missouri.

APPENDICES

Appendix A-1

DEPARTMENT OF PUBLIC UTILITIES
WATER DIVISION
CITY OF ST. LOUIS, MISSOURI
SCHEDULE OF REVENUES
FOURTEEN MONTHS ENDED JUNE 30, 1988

(U N A U D I T E D)

WATER REVENUE FUND

Charges	\$ 1,042,162
Turn-on fees	58,609
Wrecking fees	15,640
Tapping charges	43,195
Interest	657,891
Rent	7,276
Collector of Revenue excess fees	672,641
Fire protection fees	73,380
Keys and reducers	70,057
Miscellaneous	21,407
Sales of water	31,430,840
Dishonored checks	(856)

Total Water Revenue Fund	<u>\$ 34,092,242</u>
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Appendix A-2

DEPARTMENT OF PUBLIC UTILITIES
WATER DIVISION
CITY OF ST. LOUIS, MISSOURI
SCHEDULE OF REVENUES
YEAR ENDED APRIL 30, 1987

(U N A U D I T E D)

WATER REVENUE FUND

Service line maintenance fees	\$ 767,560
Charges	638,390
Turn-on fees	45,645
Wrecking fees	9,492
Tapping charges	37,400
Interest	441,011
Rent	7,747
Webster Groves sales fees	261,649
Collector of Revenue excess fees	551,142
Fire protection fees	71,904
Keys and reducers	61,572
Miscellaneous	8,364
Sales of water	23,782,993

Total Water Revenue Fund

26,684,869

TRUST AND AGENCY FUNDS

Refundable deposits

290,704

Total All Funds

\$ 26,975,573

Appendix A-3

DEPARTMENT OF PUBLIC UTILITIES

WATER DIVISION

CITY OF ST. LOUIS, MISSOURI

SCHEDULE OF ESTIMATED AND ACTUAL REVENUES - WATER DIVISION FUND

FOURTEEN MONTHS ENDED JUNE 30, 1988

(U N A U D I T E D)

	Estimated	Actual	Actual Over (Under) Estimated
WATER REVENUE FUND			
Turn-on fees	\$ 52,500	58,609	6,109
Interest	700,000	657,891	(42,109)
Rent	7,000	7,276	276
Fire protection fees	81,667	73,380	(8,287)
Key and reducers	58,333	70,057	11,724
Miscellaneous	2,133,834	1,794,189	(339,645)
Sales of water:			
Metered and flat rate	30,566,667	30,789,123	222,456
Wholesale	624,166	641,717	17,551
Total	\$ 34,224,167	34,092,242	(131,925)

Appendix A-4

DEPARTMENT OF PUBLIC UTILITIES
WATER DIVISION
CITY OF ST. LOUIS, MISSOURI
SCHEDULE OF ESTIMATED AND ACTUAL REVENUES - WATER DIVISION FUND
YEAR ENDED APRIL 30, 1987

(U N A U D I T E D)

Revenue Type	Estimated	Actual	Actual Over (Under) Estimated
Service line maintenance fees	\$ 844,000	767,560	76,440
Charges	700,000	638,390	61,610
Turn-on fees	35,000	45,645	(10,645)
Wrecking fees	7,000	9,492	(2,492)
Tapping charges	20,000	37,400	(17,400)
Interest	725,000	441,011	283,989
Rent	5,500	7,747	(2,247)
Webster Groves sales fees	545,000	261,649	283,351
Collector of Revenue excess fees	458,000	551,142	(93,142)
Fire protection fees	75,000	71,904	3,096
Key and reducers	60,000	61,572	(1,572)
Miscellaneous	2,000	8,364	(6,364)
Sales of water	25,036,000	23,782,993	1,253,007
Total	\$ 28,512,500	26,684,869	1,827,631

Appendix B-1

DEPARTMENT OF PUBLIC UTILITIES
WATER DIVISION
CITY OF ST. LOUIS, MISSOURI
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES -
WATER DIVISION FUND
FOURTEEN MONTHS ENDED JUNE 30, 1988

(UNAUDITED)

	Appropriation	Expenditures	Lapsed Balance
PERSONAL SERVICE			
Salaries	\$ 11,104,368	10,981,552	122,816
Fringe benefits	1,599,659	1,481,525	118,134
Workers' compensation	279,962	259,200	20,762
Total Personal Service	12,983,989	12,722,277	261,712
EXPENSE AND EQUIPMENT			
Office and operating supplies	94,440	77,047	17,393
Construction and maintenance supplies	3,875,239	3,532,789	342,450
Operating expenses	7,014,332	5,459,936	1,554,396
Contractual services	799,500	542,814	256,686
Miscellaneous and special purpose expenses	5,739,269	6,491,875	(752,606)
Equipment purchase and repair	5,189,652	3,218,845	1,970,807
Total Expense and Equipment	22,712,432	19,323,306	3,389,126
Total Water Division Fund	\$ 35,696,421	32,045,583	3,650,838

Appendix B-2

DEPARTMENT OF PUBLIC UTILITIES

WATER DIVISION

CITY OF ST. LOUIS, MISSOURI

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES -

WATER DIVISION FUND

YEAR ENDED APRIL 30, 1987

(U N A U D I T E D)

	Appropriation	Expenditures	Lapsed Balance
PERSONAL SERVICE			
Salaries	\$ 8,449,623	8,384,550	65,073
Fringe benefits	1,637,963	1,602,907	35,056
Workers' compensation	262,000	211,032	50,968
Total Personal Service	10,349,586	10,198,489	151,097
EXPENSE AND EQUIPMENT			
Office and operating supplies	2,471,850	2,489,367	(17,517)
Construction and maintenance supplies	1,196,000	1,148,785	47,215
Operating expenses	4,356,800	4,121,609	235,191
Contractual services	497,000	412,218	84,782
Miscellaneous and special purpose expenses	7,720,730	5,000,044	2,720,686
Equipment purchase and repair	2,428,090	1,883,406	544,684
Total Expense and Equipment	18,670,470	15,055,429	3,615,041
Total Water Division Fund	\$ 29,020,056	25,253,918	3,766,138

Appendix C

DEPARTMENT OF PUBLIC UTILITIES
 WATER DIVISION
 CITY OF ST. LOUIS, MISSOURI
 COMPARATIVE SCHEDULE OF WATER DIVISION FUND EXPENDITURES

(U N A U D I T E D)

	June 30, 1988*	Year Ended April 30,			
		1987	1986	1985	1984
PERSONAL SERVICE					
Salaries:					
Regular employees	\$ 10,468,902	8,097,922	7,766,621	7,457,409	7,850,605
Temporary employees	21,912	2,342	-0-	-0-	-0-
Per performance	2,980	-0-	-0-	-0-	-0-
Employer:					
Social security coverage	799,668	598,225	566,337	536,615	551,794
Medical insurance	564,670	474,851	382,242	360,900	456,314
Retirement contribution	-0-	445,153	443,339	899,437	770,002
Tuition	41,189	25,626	1,946	-0-	1,733
Life insurance costs	75,998	59,052	49,249	41,182	17,341
Workers' compensation:					
Compensation	144,890	141,842	103,894	88,787	-0-
Compensation settlements	114,310	69,190	-0-	-0-	-0-
Overtime	487,758	284,286	241,958	203,940	323,696
Total Personal Service	12,722,277	10,198,489	9,555,586	9,588,270	9,971,485
EXPENSE AND EQUIPMENT					
Office supplies	25,173	17,805	16,585	15,114	16,646
Motor vehicle supplies	12,875	13,100	14,937	9,863	12,960
Laundry and cleaning supplies	15,732	10,407	9,089	8,658	8,646
Medical, surgical, and laboratory supplies	23,267	17,154	13,408	11,750	10,703
Household supplies	10,345	5,577	5,067	5,376	5,884
Small tools and implements	91,249	74,737	43,064	40,601	41,802
Wearing apparel	16,356	5,483	6,392	6,401	6,375
Agricultural and botanical supplies	7,122	5,732	5,556	4,150	3,599
Water treatment supplies	2,384,202	1,895,039	1,858,540	1,802,346	1,620,472
Painting supplies	2,639	3,050	1,750	3,496	2,814
Gasoline supplies	29,274	5,451	9,025	11,589	8,461
Light bulbs and lamps	7,135	5,218	5,572	4,519	3,039
Drugs and medicines	2,703	1,737	1,151	267	699
Building equipment and maintenance supplies	2,878	2,336	2,261	1,572	3,388
Miscellaneous supplies	86,069	55,723	40,565	40,397	32,824
Construction materials and building hardware	450,329	268,549	208,465	224,870	213,283
Electrical materials	35,520	24,876	28,072	22,116	28,430
Plumbing, heating ventilation, and air conditioning	593,229	553,611	399,191	434,379	386,938
Painting materials	9,894	7,708	9,466	9,102	7,072
Motor vehicle materials and repair parts	7,864	9,722	16,806	10,351	16,832
Miscellaneous materials	166,597	82,273	54,758	109,247	115,805
Office equipment	10,359	8,517	-0-	-0-	-0-
Print, bind and reproduction equipment	3,833	-0-	-0-	-0-	-0-
Laundry and cleaning equipment	1,545	2,429	-0-	-0-	-0-
Medical, surgical, and laboratory equipment	79,341	27,332	-0-	-0-	-0-
Household equipment	3,380	1,600	-0-	-0-	-0-
Light, heat, power, ventilation, and water equipment	248,370	291,728	79,123	48,604	70,057
Garage and shop equipment	50,463	47,050	-0-	-0-	-0-
Construction equipment	38,044	76,945	-0-	-0-	-0-
Agricultural and botancial equipment	7,145	1,573	-0-	-0-	-0-
Communication and broadcasting equipment	3,605	19,075	-0-	-0-	-0-
Miscellaneous equipment	\$ 77,098	19,331	-0-	-0-	-0-

NOTE: For 1987, Appendix C does not include \$1,337,013 of encumbrances and commitments at April 30, 1987, that are included in total expenditures on Appendix B.

* Fourteen months ended June 30, 1988.

Appendix C (Continued)

DEPARTMENT OF PUBLIC UTILITIES
 WATER DIVISION
 CITY OF ST. LOUIS, MISSOURI
 COMPARATIVE SCHEDULE OF WATER DIVISION FUND EXPENDITURES

(UNAUDITED)

	June 30, 1988*	Year Ended April 30,			
		1987	1986	1985	1984
EXPENSE AND EQUIPMENT (CONTINUED)					
Postage	\$ 13,835	8,216	12,543	11,116	5,767
Telephone and other communications	185,762	119,968	130,006	136,977	111,493
Office services	32,820	51,926	11,605	9,941	7,438
Allowance personal owned cars	23,458	17,764	18,678	18,025	13,388
Vehicle service	10,941	15,319	9,239	9,494	15,381
Repairs to:					
Building and structures	46,720	17,535	16,790	37,648	8,731
Offices and other operating equipment	36,384	22,125	23,363	18,471	16,497
Rental of motor vehicles	65,316	53,005	54,638	45,406	45,294
Equipment rental	12,146	19,919	8,790	10,546	8,944
Cleaning services	3,568	1,570	1,425	1,610	2,128
Light and power services	3,678,415	2,844,387	2,716,146	2,461,376	2,643,869
Travel expense - conventions and seminars	14,836	5,680	3,772	2,912	1,375
Local training program	4,610	-0-	-0-	-0-	-0-
Printing services	73,504	15,655	48,589	24,793	17,858
Payments to city for services rendered	1,072,255	910,396	541,883	864,852	865,572
Audits	-0-	-0-	-0-	-0-	26,000
Miscellaneous:					
Contractual services	542,814	329,066	374,905	190,387	187,789
Audits	22,500	28,000	25,000	27,300	-0-
Equipment services by ESD	515,478	513,941	483,117	520,000	102,711
Capital equipment by ESD	1,334,970	660,147	-0-	-0-	-0-
Prior year encumbrance	1,452,904	-0-	-0-	-0-	-0-
Taxes	1,642,961	1,459,320	2,302,759	-0-	1,213,549
Rents	96	96	111	96	96
Surety bond premiums	548	70	558	120	3,300
Miscellaneous:					
Expenses	15,584	7,011	6,473	19,060	7,028
Judgments	20,197	11,457	6,045	35,993	209,845
Unforeseen repairs and improvements	208,433	182,488	-0-	-0-	-0-
Reserve for:					
Equipment	424,066	615	-0-	-0-	-0-
Capital equipment	38,362	323,441	221,377	-0-	-0-
Special purpose:					
P3	-0-	15,031	32,300	-0-	-0-
P4	-0-	87,977	889	-0-	-0-
P7	189,979	15,027	97,144	41,051	49,287
05	452,780	329,998	-0-	-0-	-0-
09	-0-	-0-	98,552	-0-	220
10	27,299	74,728	63,006	87,795	8,702
12	36,410	44,551	159,287	15,643	9,030
20	27,467	-0-	-0-	-0-	-0-
21	-0-	5,702	-0-	-0-	-0-
22	-0-	4,044	-0-	-0-	-0-
26	-0-	26,876	-0-	-0-	-0-
27	12,739	1,282	-0-	-0-	-0-
29	-0-	97,868	-0-	-0-	-0-
30	-0-	100,000	-0-	-0-	-0-
31	-0-	30,555	10,660	43,511	51,377
34	-0-	509	-0-	-0-	192,452
38	11,766	-0-	-0-	-0-	-0-
39	-0-	79,251	98,264	296,070	589,066
40	26,761	116,517	20,325	17,474	13,508
41	-0-	-0-	-0-	-0-	13,301
44	1,256	-0-	1,384	-0-	-0-
50	\$ 10,271	6,385	-0-	-0-	-0-

NOTE: For 1987, Appendix C does not include \$1,337,013 of encumbrances and commitments at April 30, 1987, that are included in total expenditures on Appendix B.

* Fourteen months ended June 30, 1988.

Appendix C (Continued)

DEPARTMENT OF PUBLIC UTILITIES
WATER DIVISION
CITY OF ST. LOUIS, MISSOURI
COMPARATIVE SCHEDULE OF WATER DIVISION FUND EXPENDITURES

(UNAUDITED)

	June 30, 1988*	Year Ended April 30,			
		1987	1986	1985	1984
EXPENSE AND EQUIPMENT (CONTINUED)					
Interest	\$ 1,149,460	877,130	768,675	807,829	845,090
Bond retirement	1,380,000	625,000	825,000	785,000	760,000
Total Expense and Equipment	19,323,308	13,718,416	12,022,141	9,365,264	10,662,795
Total Expenditures	\$ 32,045,583	23,916,905	21,577,727	18,953,534	20,634,280

NOTE: For 1987, Appendix C does not include \$1,337,013 of encumbrances and commitments at April 30, 1987, that are included in total expenditures on Appendix B.

* Fourteen months ended June 30, 1988.

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